



Rep. George Scully Jr.

Filed: 3/2/2006

09400HB5000ham002

LRB094 15260 DRJ 56938 a

1 AMENDMENT TO HOUSE BILL 5000

2 AMENDMENT NO. _____. Amend House Bill 5000, AS AMENDED, by
3 replacing the title with the following:

4 "AN ACT concerning taxation."; and

5 by replacing everything after the enacting clause with the
6 following:

7 "Section 5. The Property Tax Code is amended by changing
8 Section 15-65 as follows:

9 (35 ILCS 200/15-65)

10 Sec. 15-65. Charitable purposes. All property of the
11 following is exempt when actually and exclusively used for
12 charitable or beneficent purposes, and not leased or otherwise
13 used with a view to profit:

14 (a) Institutions of public charity.

15 (b) Beneficent and charitable organizations
16 incorporated in any state of the United States, including
17 organizations whose owner, and no other person, uses the
18 property exclusively for the distribution, sale, or resale
19 of donated goods and related activities and uses all the
20 income from those activities to support the charitable,
21 religious or beneficent activities of the owner, whether or
22 not such activities occur on the property.

23 (c) Old people's homes, facilities for persons with a

1 developmental disability, and not-for-profit organizations
2 providing services or facilities related to the goals of
3 educational, social and physical development, if, upon
4 making application for the exemption, the applicant
5 provides affirmative evidence that the home or facility or
6 organization is an exempt organization under paragraph (3)
7 of Section 501(c) of the Internal Revenue Code or its
8 successor, and either: (i) the bylaws of the home or
9 facility or not-for-profit organization provide for a
10 waiver or reduction, based on an individual's ability to
11 pay, of any entrance fee, assignment of assets, or fee for
12 services, or (ii) the home or facility is qualified, built
13 or financed under Section 202 of the National Housing Act
14 of 1959, as amended.

15 An applicant that has been granted an exemption under
16 this subsection on the basis that its bylaws provide for a
17 waiver or reduction, based on an individual's ability to
18 pay, of any entrance fee, assignment of assets, or fee for
19 services may be periodically reviewed by the Department to
20 determine if the waiver or reduction was a past policy or
21 is a current policy. The Department may revoke the
22 exemption if it finds that the policy for waiver or
23 reduction is no longer current.

24 If a not-for-profit organization leases property that
25 is otherwise exempt under this subsection to an
26 organization that conducts an activity on the leased
27 premises that would entitle the lessee to an exemption from
28 real estate taxes if the lessee were the owner of the
29 property, then the leased property is exempt.

30 (d) Not-for-profit health maintenance organizations
31 certified by the Director of the Illinois Department of
32 Insurance under the Health Maintenance Organization Act,
33 including any health maintenance organization that
34 provides services to members at prepaid rates approved by

1 the Illinois Department of Insurance if the membership of
2 the organization is sufficiently large or of indefinite
3 classes so that the community is benefited by its
4 operation. No exemption shall apply to any hospital or
5 health maintenance organization which has been adjudicated
6 by a court of competent jurisdiction to have denied
7 admission to any person because of race, color, creed, sex
8 or national origin.

9 (e) All free public libraries.

10 (f) Historical societies.

11 Property used for hospital purposes may qualify for the
12 exemption under this Section only if the hospital meets all of
13 the following criteria:

14 (1) The services provided by the hospital are for an
15 indefinite number of persons for their general welfare or
16 in some way reduce the burdens on government.

17 (2) The organization owning the hospital has no
18 capital, capital stock, or shareholders and does not profit
19 from the operation of the hospital.

20 (3) Funds for the operation of the hospital are derived
21 mainly from private and public charity, and those funds are
22 held in trust for the objects and purposes expressed in the
23 charter of the organization owning the hospital.

24 (4) Charity hospital care is dispensed to all who need
25 and apply for it.

26 (5) No obstacles are placed in the way of those seeking
27 services from the hospital.

28 (6) The primary use of the hospital property is for
29 charitable purposes.

30 Property otherwise qualifying for an exemption under this
31 Section shall not lose its exemption because the legal title is
32 held (i) by an entity that is organized solely to hold that
33 title and that qualifies under paragraph (2) of Section 501(c)
34 of the Internal Revenue Code or its successor, whether or not

1 that entity receives rent from the charitable organization for
2 the repair and maintenance of the property, (ii) by an entity
3 that is organized as a partnership, in which the charitable
4 organization, or an affiliate or subsidiary of the charitable
5 organization, is a general partner, for the purposes of owning
6 and operating a residential rental property that has received
7 an allocation of Low Income Housing Tax Credits for 100% of the
8 dwelling units under Section 42 of the Internal Revenue Code of
9 1986, or (iii) for any assessment year including and subsequent
10 to January 1, 1996 for which an application for exemption has
11 been filed and a decision on which has not become final and
12 nonappealable, by a limited liability company organized under
13 the Limited Liability Company Act provided that (A) the limited
14 liability company receives a notification from the Internal
15 Revenue Service that it qualifies under paragraph (2) or (3) of
16 Section 501(c) of the Internal Revenue Code; (B) the limited
17 liability company's sole members, as that term is used in
18 Section 1-5 of the Limited Liability Company Act, are the
19 institutions of public charity that actually and exclusively
20 use the property for charitable and beneficent purposes; and
21 (C) the limited liability company does not lease the property
22 or otherwise use it with a view to profit.

23 (Source: P.A. 91-416, eff. 8-6-99; 92-382, eff. 8-16-01.)

24 Section 99. Effective date. This Act takes effect January
25 1, 2007."